

small town. He was kind of a good old guy with glasses, and he had been in charge of purchasing for Kellogg, Brown & Root or Halliburton over in Kuwait, purchasing the things our troops needed in Iraq. He came and testified, and he said: You know, as I was purchasing things, I was told by my employer, Halliburton: Don't worry what the cost is, the taxpayer pays for this. This is cost-plus.

So he told us a number of examples, big examples, but he brought a small one that I thought reflected the entire attitude.

This is a towel. I ask unanimous consent to show the towel on the floor of the Senate.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DORGAN. This is a towel. Halliburton was to purchase towels for the troops, hand towels. You know, they were purchasing hand towels to be awarded to the troops. So he ordered some white hand towels for the troops, and his boss said: Well, you can't order those white hand towels. You have to order the hand towels that have the logo of our company, "Kellogg, Brown & Root," on the hand towel.

Mr. Bunting said: Yes, but that would quadruple the cost.

His boss said: That doesn't matter. This is a cost-plus contract. Order the towels. Put our company name on them.

I mean, this is such a small but important symbol of the behavior that went on for most of the decade that fleeced the American taxpayers.

We had a hearing in which we were told by a food service supervisor of Kellogg, Brown & Root that Kellogg, Brown & Root charged the Federal Government for serving 42,000 meals a day to American soldiers but they were only serving 14,000 meals. They were charging the taxpayer for 42,000 meals—according to this supervisor who was on the ground and then left the company in disgust—they were charging the taxpayers, the American Government, for 42,000 meals a day for soldiers and serving only 14,000 meals a day.

We had testimony about brand new \$85,000 trucks being left on the side of the road to be torched because they had a flat tire or a plugged fuel pump. Why? Cost-plus. A new truck. Taxpayers will buy another one.

There was a company called Custer Battles to which the previous administration and the Pentagon awarded over \$100 million in security contracts. We had a man named Frank Willis who came to testify at a hearing I held. Frank Willis was a classic example of a guy who went to Iraq to see if he could do some good and wanted to be helpful to our government's effort in Iraq. He showed us a photograph, which I thought I had—I think we probably do not—a photograph of \$2 million which was in the basement of the building in which he worked. They had cash, only cash, and their message to contractors

in Iraq was, you bring a bag, we pay cash. And he showed me a photograph of \$2 million, hundred-dollar bills wrapped in Saran Wrap that he said they occasionally threw around the office as a football—\$2 million sitting on the table, American taxpayers' money. By the way, much of that was loaded on pallets and flown over to Iraq in C-130s. There were even stories about people dispensing hundred-dollar bills out of the back of pickup trucks. So it was.

Custer Battles went on to be charged with defrauding the Pentagon, of massive over billing. We had a witness named Robert Isakson who said that Custer Battles had handed in \$10 million in fake invoices for about \$3 million of work. In one example, the company was charged with taking forklifts that they found—they were to provide security for the Baghdad Airport. They took forklifts they found in a building at the Baghdad Airport—they received the forklifts for free because they took over the security. They got the forklifts, took them someplace, painted them blue, and then sold them back to the U.S. Government.

The case against Custer Battles was thrown out of court on procedural grounds, and a new case is now pending, as I understand it, before the Fourth Circuit.

We had testimony before this committee about something called The Whale. It is a prison in Khan Bani Saad. I want to show what we have in Iraq. Our country—that is, the coalition provisional government, which was us; we set it up in Iraq and we ran it—said: We are going to build a prison in Iraq, Kahn Bani Saad prison.

The Iraqis said: We don't want a prison there.

We said: We are going to build a prison anyway.

So we spent \$40 million of American money on this. Two contractors ended up getting \$50 million total, and here is what it looks like right now in Iraq. It has never been used, never will be used. The Iraqis didn't want it. But our country dumped nearly \$50 million into this project.

You know, the question is, Who is accountable for that? Who is going to answer to it? And I have watched now, holding 21 hearings over a decade and finding that very few are held accountable for this kind of thing. This prison was built of a scale to house 3,600 inmates. It will never be finished. As you see, you have just a shell of some cinder blocks, and the American taxpayers are out about \$50 million.

We heard from witnesses about the Parsons Corporation, which got a \$243 million contract to build or repair 150 health clinics in Iraq. Two years later, the money was all gone, and there weren't 150 health clinics, there were 20.

I had a doctor, a very brave, courageous physician, come to this country to testify to what he saw of the ones that were completed. Unbelievable. So

what happened to the money? The American taxpayers lost the money. Did this improve the health of the Iraqis?

The physician who came to testify said he went to the Minister of Health in Iraq and said to the Minister of Health: Where are those clinics, because I am told the Americans have spent \$243 million to build health clinics. Where are the clinics?

The Iraqi Health Minister said: Well, most of them are imaginary clinics.

Yes, but the money was not imaginary. The American taxpayers' money is gone.

We had several hearings on the issue of Kellogg, Brown & Root. And I mention them because they got the biggest contract, sole-source contract. That is why they are the ones that are mentioned the most. They were providing water treatment to the military facilities in Iraq. So our soldiers are in military camps in Iraq, and KBR gets the water treatment contract. It turns out that the nonpotable water they were providing to soldiers in the camps that we had a hearing on was more contaminated than raw water from the Euphrates River.

We actually had, from a whistleblower, the internal memorandum from Kellogg, Brown & Root, by the guy who was in charge of the water contract in Iraq, and in his memorandum, he said this was a near miss. It could have caused mass sickness or death. But publicly, they said it didn't happen. The Defense Department said it did not happen. But it did happen, and I asked the inspector general to investigate it. He did. He did a report and said that both the Defense Department and Kellogg, Brown & Root were wrong. It did happen, in fact. That kind of contaminated water was being served to the troops because the contract was a contract that was not provided for appropriately by the company. The company was taking the money and not doing what it was supposed to do with the water.

By the way, in the middle of these hearings, while the Department of Defense, Department of the Army, as well as Kellogg, Brown & Root were denying it all, I got an e-mail here in the Senate from an Army doctor, a captain, and she wrote to me and said: I am a physician in the camp. I had my lieutenant follow the water line to find out what was happening because I had patients here who showed that they were suffering diseases and suffering problems as a result of contaminated water.

So that came from the physician who was in Iraq on the ground.

So despite all of the denials, the inspector general finally issued a report saying: No, no, the Defense Department was wrong, as was Kellogg, Brown & Root. A contract to provide water to these soldiers across Iraq at the Army camps was not being appropriately handled, and very contaminated water was going to those camps.

The list is almost endless. I know there is a photograph I have shown on